## AMENDED IN ASSEMBLY APRIL 16, 2008 AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

## ASSEMBLY BILL

No. 2934

## **Introduced by Assembly Member Charles Calderon**

February 22, 2008

An act to amend Section 38570 of the Health and Safety Code, relating to air pollution.

## LEGISLATIVE COUNSEL'S DIGEST

AB 2934, as amended, Charles Calderon. California Global Warming Solutions Act of 2006: market-based compliance mechanisms: state parks and forests.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for compliance with those regulations. The state board is required, before including any market-based compliance mechanism, to maximize additional environmental and economic benefits for California, as appropriate.

This bill would require the state board to establish market-based compliance mechanisms for compliance with the regulations that include

AB 2934 -2-

auctioning credits to sources subject to those regulations for the maintenance and restoration of state forests and state parklands specify that these benefits include maintenance and restoration of state forests and state parks that reduce greenhouse gas emissions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 38570 of the Health and Safety Code is amended to read:

38570. (a) The state board may include in the regulations adopted pursuant to Section 38562 the use of market-based compliance mechanisms to comply with the regulations, in addition to the mechanisms required by subdivision (d).

- (b) Prior to the inclusion of any market-based compliance mechanism in the regulations, including those required by subdivision (d), to the extent feasible and in furtherance of achieving the statewide greenhouse gas emissions limit, the state board shall do all of the following:
- (1) Consider the potential for direct, indirect, and cumulative emission impacts from these mechanisms, including localized impacts in communities that are already adversely impacted by air pollution.
- (2) Design any market-based compliance mechanism to prevent any increase in the emissions of toxic air contaminants or criteria air pollutants.
- (3) Maximize additional environmental and economic benefits for California, as appropriate, *including maintenance and restoration of state forests and state parks that reduce greenhouse gas emissions*.
- (c) The state board shall adopt regulations governing the manner in which how market-based compliance mechanisms may be used by regulated entities subject to greenhouse gas emission limits and mandatory emission reporting requirements to achieve compliance with their greenhouse gas emissions limits.
- (d) The state board shall establish market-based compliance mechanisms for compliance with the regulations adopted pursuant to Section 38562 that shall include auctioning credits to sources subject to those regulations for the maintenance and restoration of

-3- AB 2934

- state forests and state parks that reduce greenhouse gas emissions.
- 2 The state board shall adopt protocols that maximize the use of state
- 3 forest and state parklands for compliance.